



Commonwealth of Kentucky
Public Protection Cabinet
Department of Insurance

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FOR IMMEDIATE RELEASE

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DOI APPROVES ANNUAL WORKERS' COMP FILING
Overall loss costs decrease for 14th consecutive year

FRANKFORT, Ky. (Sept. 13, 2019) – Yesterday, the Kentucky Department of Insurance (DOI) announced the approval of the 2019 rate filing used to develop rates for workers' compensation coverage.

For the 14th consecutive year, the filing shows an overall decrease in Kentucky's loss costs. A loss cost is an average compensation for lost wages based on the level of disability, plus medical benefit payments. The loss cost is a direct component in the computation of an individual employer's workers' compensation insurance rate.

DOI Commissioner Nancy Atkins attributes the decrease to legislative reform, to the pro-growth leadership of Governor Bevin and the General Assembly, as well as, the continued reduction of workplace injuries. "The overall decrease demonstrates the effectiveness of HB 2 and the commitment of Kentucky employers to employee safety," said Atkins. "The Commonwealth is taking the necessary steps to increase investment and job creation. The decreased claim figures continue to make Kentucky an attractive state to do business."

According to the loss costs figures submitted in the 2019 annual rate filing, there is an average reduction of 9% across the class codes used in Kentucky. The class codes define all forms of employment, including manufacturing, office and clerical, contracting, and goods and services. The loss cost decrease represents an average, and each employer's ultimate rate, and the premium will vary. On average, the Department has approved more than a 25% decrease in loss costs over the past two years.

As in previous years, not all employers will see a decrease in their loss costs. For example, loss costs for surface and underground coal mining increased by 6.2% and 5.5% respectively.

The approved rate filing is effective Oct. 1.

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The Kentucky Department of Insurance regulates the Commonwealth's insurance market, licenses agents and other insurance professionals, monitors the financial condition of companies, educates consumers to make wise choices, and ensures Kentuckians are treated fairly in the marketplace. To learn more about DOI, visit <http://insurance.ky.gov/>.